

## **Welcome to Tyler Technologies, Inc.**

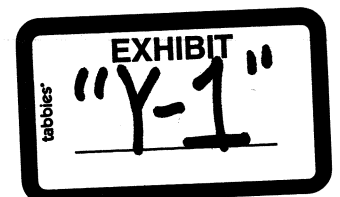
**We are very pleased to welcome you to Tyler Technologies, Inc. and the Tyler Companies (Tyler). Thank you for joining our team! It is our hope that your association with Tyler and its employees will be a mutually beneficial and rewarding experience.**

**You have joined an organization that has established an outstanding reputation for quality products and services. Credit for this success goes to every one of our employees. We hope you, too, will find satisfaction and take pride in your work here.**

**This Handbook provides answers to many of the questions you may have about Tyler's policies and procedures, our responsibilities to you, and your responsibilities to Tyler. If anything is unclear, please discuss the matter with your Manager or with the Human Resources Department. You are responsible for adhering to the contents of this Employee Handbook, and your performance evaluations may be affected by your adherence to Tyler policies. In addition to clarifying responsibilities, we hope this Employee Handbook also gives you an indication of Tyler's interest in the welfare of all who work here.**

**From time to time, the information included in our Employee Handbook may change. Every effort will be made to keep you informed through suitable lines of communication, including postings on the Company's bulletin boards and/or notices sent directly to you in-house.**

**Compensation and personal satisfaction gained from doing a job well are only some of the reasons many people work. Most likely, other factors count among your reasons for working - pleasant social relationships, comfortable working conditions, career development, a variety of challenges and opportunities, promotional capabilities, and health benefits are just a few. Tyler is committed to doing its part in creating a satisfying work experience.**



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## **Notice**

**The policies in this Handbook are to be considered as guidelines. Tyler, at its option, may change, delete, suspend or discontinue any part or parts of the policies in this Handbook at any time without prior notice. Only the CEO of Tyler Technologies, Inc. may authorize changes or modifications to the policies in this Handbook. The language used in this Handbook is not intended to create nor is it to be construed to constitute a contract of employment between Tyler and any or all of its employees. No statement or promise by a supervisor, Manager, department head, or other person acting in a supervisory or managerial capacity may be interpreted as a change in policy nor will it constitute an employment agreement with an employee.**

**An individual Tyler company may have additional policies that supplement this Handbook. If there is a difference between this Handbook and individual company policies, the Handbook shall control unless a policy specific to an individual company has been approved by Tyler.**

**This Handbook replaces all other previous Handbooks for Tyler and its Companies effective immediately.**

## **Mission Statement**

**Tyler's mission is to partner with our clients to make local government more accessible to the public, more responsive to the needs of the citizens, and more efficient in its operations.**



## **Business Ethics Policy**

Tyler Technologies, Inc. and its subsidiaries (the "Company") expect all officers, directors, and employees to exercise the highest degree of professional business ethics in all actions they undertake on behalf of the Company. In furtherance of that objective, the Company expects its officers, directors, and employees to act in accordance with the policies herein at all times.

This Business Ethic Policy ("Policy") applies to all officers, directors, and employees of the Company, including without limitation, the Company's principal executive officer, principal financial officer, principal accounting officer, and all persons performing similar functions.

Any employee who has any question regarding any of these policies or the application should discuss the question with Michael Collins, Tyler Human Resources. An employee should immediately report any violation of the standards to Michael Collins. The policies will be strictly enforced. The Company will take appropriate disciplinary action (including where appropriate, dismissal) with respect to those involved in any violations of the standards. By the same token, the Company will not retaliate against an employee for reporting any violations of this Policy. This Policy is not intended to affect the status of any employee or to enhance or diminish any contract rights of an employee.

### **Introduction and Purpose**

This Policy is designed to deter wrongdoing and promote the following:

- Honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- Avoidance of conflicts of interest, including disclosure to an appropriate person or persons identified in this Policy of any material transaction or relationship that reasonably could be expected to give rise to such a conflict.
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities Exchange Commission and in other public communications made by the Company.
- Compliance with applicable governmental laws, rules, and regulations.
- Prompt internal reporting to an appropriate person or persons identified in this Policy of violations of this Policy.
- Accountability for adherence to this Policy.

### **General Statement**

- The Company and its employees shall comply with all applicable legal requirements of the United States and each state or foreign country in which the Company conducts its business.
- The use of assets of the Company for any unlawful or improper purpose is strictly prohibited.
- No undisclosed or unrecorded fund or asset of the Company shall be established or maintained for any purpose.



- No false or misleading entries shall be made in the books and records of the Company for any reason, and no employee shall engage in any arrangement that results in such prohibited act.
- No payment on behalf of the Company shall be approved without adequate supporting documentation, or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment.
- No confidential information concerning the Company shall be used or revealed within or outside the Company without proper authorization and purpose.
- The use of Company employees, materials or equipment for personal purposes is prohibited, unless specifically authorized.
- Compliance with established internal control procedures is required at all times.

### **Political Activities and Contributions**

The Company will not contribute to or for any political party, committee or candidate for any public office.

Any employee that is requested by another employee of the Company to contribute Company funds to a political party, committee or candidate for public offices should decline to do so. The employee should promptly notify Michael Collins, Tyler's Director of Human Resources of the request and details thereof.

### **Payments to Government Officials and Personnel**

The Company's relationships with governmental agencies and their personnel in the United States and in each foreign country in which the Company engages in its business shall be conducted so that full disclosure of the conduct will not impugn or jeopardize the Company's integrity or reputation. Accordingly, payments to government personnel, including gifts of substantial value or lavish entertainment shall not be permitted, whether the payment is made by use of the employee's personal funds or assets or those of the Company, and whether made directly or indirectly through consultants, advisors, vendors, customers or others.

### **Use of Agents and Others to Assist in Obtaining and Performing Contracts of Sales**

From time to time, the Company may elect to use special consultants, distributors, representatives, and agents to assist in obtaining sales or performing contracts. These representatives must be *bona fide* professional individuals or organizations; they must render *bona fide* services; and their remuneration must be limited to a reasonable fee for their services. No representative may be employed by this Company if connected, directly or indirectly, to the prospective customer or to an official of a prospective customer.

### **Conflicts of Interest**

The Company expects the undivided loyalty of its employees in the conduct of Company business. It is important that employees be free from any financial interests or other relationships that might conflict with the best interests of the Company. Accordingly, each employee shall avoid any investment or other interest in another business which would conflict with the proper performance of his/her duties or responsibilities for the Company, or which might interfere with

his/her independence of judgment with respect to transactions between the Company and such other business.

While it is impossible to enumerate all the situations in which possible conflicts might arise, examples of such situations are as follows:

- To give or receive gifts of more than token value which are in any way connected with business relationships;
- To lend to or borrow from individuals or concerns that do business with or compete with the Company, except banks and other financial institutions;
- To serve as an officer, director, employee, or consultant of or receive income from any enterprise doing business with or competing with the Company, or seeking to do so, or to own an interest in or engage in the management of an organization providing services or products to the Company, or to which the Company sells or with which it competes, except when such interest (a) comprises publicly traded securities listed on a national securities exchange, NASDAQ or the OTC margin list and (b) is not in excess of five percent of the securities of such Company;
- To accept compensation from outsiders for services or products for which the employee is being paid by the Company;
- To speculate or deal in materials, equipment, supplies, products, lands, leases, or property purchased or sold by the Company, or for which negotiations to purchase, acquire or sell are pending or may reasonably be anticipated, or to receive (other than from the Company) any compensation, bonus, or commission in connection with any transaction relating to the Company's business;
- To knowingly cause, either directly or indirectly, the Company to enter into a business transaction with a close relative of a Company employee or a business enterprise of such relative;
- To knowingly buy or sell for the employee's own account or the account of a relative of a Company employee any security or other interest which the Company may be considering buying or selling, or has decided to buy or sell, until the Company's decision has been completely executed and publicly announced;
- To transmit any knowledge of any considerations or decisions of any information that might be prejudicial to the interests of the Company to any person, except as may be necessary for the proper discharge of the employee's responsibilities for the Company.

If an employee finds that he has, or is considering the assumption of, a financial interest or outside relationship which might involve a conflict of interest, or if the employee is in doubt as to the proper application of this policy, he should promptly make all the facts known to **Michael Collins, Tyler Human Resources** at [mickey.collins@tylertechnologies.com](mailto:mickey.collins@tylertechnologies.com), and refrain from any exercise of responsibility in any manner which might reasonably be considered to be affected by such adverse interest.

### **Protection of Confidential or Proprietary Information**

The Company's confidential and proprietary information is vital to the current operations and future success of the Company. Each employee shall use all reasonable care to protect or otherwise prevent the unauthorized disclosure of such information. In no event shall confidential information be disclosed or revealed within or outside the Company without proper authorization

or purpose. If an employee is uncertain whether certain information should be treated as confidential, the employee should presume that such information is confidential and not disclose it without proper authorization.

By way of example, confidential or proprietary information will include information regarding the Company's business methods, business plans, databases, systems, technology, intellectual property, know-how, management, business development, operations, products, services, research, development, inventions, financial statements, financial projections, financing methods, pricing strategies, client sources, employee records, system designs, terms and conditions of arrangements of any business or clients, client lists, methods of competing, and other proprietary information.

### **Insider Trading**

The Company's common stock is listed for trading on the New York Stock Exchange. No employee may purchase or sell the Company's common stock while in possession of material information that has not been publicly disseminated. In addition, employees shall not communicate non-public information to a third party under circumstances where improper trading can be anticipated. Material information can be either positive or negative information and can include such things as significant acquisitions, contract awards, teaming agreements, or other material business developments, financial results and projections of future earnings or losses, significant litigation, acquisition or loss of significant customers, and other information material to the business of the Company. Questions about any trade should be directed to **H. Lynn Moore, Jr., Vice President and General Counsel of the Company** at [lmoores@tylerttechnologies.com](mailto:lmoores@tylerttechnologies.com).

### **Property Rights**

During and subsequent to employment by the Company, an employee must disclose to the Company all ideas, concepts, inventions, improvements and discoveries, including those related to software, and any and all writings including those related to software regardless of the media which are conceived, made or reduced to practice by the employee, provided that such properties arise from or relate to work done for the Company, relate to the business of the Company or involve the employee's use of the Company's equipment, facilities or time, or arise out of any information received regarding the business of the Company.

It is each employee's responsibility to fully disclose to the Company as promptly as available all information known or possessed by the employee concerning the rights referred to in the preceding paragraph. Where appropriate, ideas should be directed to **H. Lynn Moore, Jr., Vice President and General Counsel of the Company** at [lmoores@tylerttechnologies.com](mailto:lmoores@tylerttechnologies.com) for patent, copyright or trade secret protection.

**It is each employee's responsibility to report to the Company any circumstance in which the employee may not comply with the provisions of the policy.**

## **Statement of Values**

We value our Employees and treat each other with uncompromised integrity and dignity. We strive to provide a challenging and enjoyable work environment that encourages pride and personal growth.

We value our Shareholders and are dedicated to increasing the long-term value of their investment and trust in us.

We value our Customers and consider them our long-term business partners. Continued Customer satisfaction is a principal goal that we seek to achieve by providing quality solutions and excellent service.

## **Statement of Confidentiality**

Our employees, customers, vendors and shareholders entrust Tyler with important information relating to their business activities. The nature of this relationship requires strict confidentiality. Your employment with Tyler assumes an obligation to maintain confidentiality, even after you leave our employ.

Information designated as confidential is to be discussed with no one outside the organization unless the appropriate confidentiality/non-disclosure agreement has been fully executed and only discussed within the organization on a "need-to-know" basis. Confidential information may also include information from another Company, which Tyler has agreed to use only for a limited purpose, and must be protected in the same manner as Tyler confidential information. Employees authorized access to confidential information are responsible for its security.

Any violation of confidentiality seriously injures Tyler's reputation and effectiveness. Therefore, it is imperative that you not discuss Tyler business with anyone who does not work for us or discuss business transactions with anyone who does not have a direct association with the transaction. Please keep in mind that even casual remarks can be misinterpreted and/or repeated.

If someone approaches you outside the Company or your department and you are asked to discuss Company activities, remember that you are not required to answer. Feel free to defer such inquiries to your Manager or the appropriate Corporate spokespersons. Because of its seriousness, disclosure or distribution of confidential information could lead to dismissal.

All employees have a responsibility to avoid unnecessary disclosure of internal information about Tyler, its customers, and its vendors. This responsibility is not intended to impede normal business communications and relationships, but is intended to alert employees to their obligation to use discretion to safeguard internal Company affairs.

Employees are not to discuss with the officers, directors, or employees of competing companies any topic that might give the impression of an illegal agreement in restraint of trade. Such topics include, but are not limited to, pricing agreements, customer allocation, and division of sales territories.

Inquiries seeking information concerning applicants for employment, current employees, or former employees should be referred to the Human Resources Department, and should not be handled by anyone outside of Human Resources.



## **Human Resource Administration**

### **Purpose of the Employee Handbook**

The purpose of this Handbook is to establish and maintain a uniform system for managing personnel matters; to comply with applicable employment laws; and to provide for the standards, terms, and conditions of employment with Tyler in a clear and comprehensive fashion. The Handbook is further intended to serve as a guide for employees of Tyler in their routine work activities and relationships to the extent that the objectives of both Tyler and the individual employee can be achieved.

Tyler believes that its success is largely due to the quality of its services as provided by its employees, the development of each employee to his or her full potential, and Tyler's ability to provide timely and satisfying rewards. Tyler also recognizes that conditions may arise that are either insufficiently addressed in this Handbook, or that result in conflicts. In such cases, Tyler will endeavor to make personnel decisions that are fair and equitable.

Tyler recognizes that employees deserve to be fully informed of their duties and responsibilities; provided with adequate administrative and supervisory direction; informed of their performance levels; compensated based on the value of their contributions; considered for promotional opportunities; and treated with dignity and respect at all times.

The policies set forth in this Handbook are guidelines, which may be changed from time to time at the discretion of Tyler. Nothing appearing in this Handbook shall be held or construed to create a contract of employment with any employee or change an employee's at will status.

Employees are expected to acquaint themselves fully with the content of this Handbook in order to establish an employment relationship based on a complete understanding of Tyler requirements, expectations, and methods of conducting business. Since it is the policy of Tyler to encourage employee participation in all matters that affect their work, employees are encouraged to offer suggestions for improvement to these policies, employment practices, or working conditions.

### **Your Human Resource File**

The Human Resources Department at Tyler's Corporate office is responsible for handling employee records, interpretation of policies, employee relations, benefits, and related personnel administration functions at Tyler.

Keeping your records up-to-date is important, specifically with regard to pay, deductions, benefits, performance appraisals and other matters. If you have a change in any of the following items, please be sure to notify your Manager or the Human Resources Department as soon as possible:

1. Legal name
2. Home address
3. Home telephone number
4. Person to call in case of emergency
5. Number of dependents
6. Marital status

7. Beneficiary
8. Driving record or status of driver's license, if you operate any Company vehicles
9. Military or draft status
10. Exemptions on your W-4 tax form
11. Elected benefits

Since Tyler refers to your records when we need to make decisions in connection with promotions, transfers, layoffs, and recalls, it is to your benefit to be sure your personnel file is complete and accurate.

All employee records are confidential and therefore will be available or disclosed only to those persons who are authorized to have access to them.



## **Employment**

### **Anniversary Date**

The first day you report to work is your "official" anniversary date. Your anniversary date is used to compute various matters, such as annual review periods, years of credited service, and benefits described in this Handbook.

### **At Will Employment**

All employment and compensation with Tyler is "at will", which means your employment can be terminated with or without cause, and with or without notice, at any time, at the option of either Tyler or yourself for any reason, except as otherwise provided by law.

### **Equal Employment Opportunity**

In keeping with Tyler's commitment to the personal dignity of employees, each individual has the right to be treated with courtesy and respect. Tyler is an Equal Opportunity employer and seeks to prohibit discrimination and to promote equality in its employment policies and practices. Management and supervisory employees are responsible for making decisions affecting employees without regard to race, religion, color, sex, creed, national origin, age, disability, veteran's status and any other status protected under local, state or federal laws. This includes decisions regarding all aspects of the employment relationship including recruitment, selection, promotion and transfers, performance appraisals, compensation and termination.

These policies are implemented in compliance with applicable federal, state and local non-discrimination and affirmative action laws and regulations.

All employees in their daily associations with other employees are expected to comply with Tyler's policy on non-discrimination.

Any employee or job applicant who believes that he or she has been subjected to discrimination by employees, officers, or agents of Tyler is requested to report the incident or complaint to Human Resources or directly to the Company President who will investigate and attempt to resolve the matter.

### **Americans with Disabilities Act**

It is the policy of Tyler to comply with all the relevant and applicable provisions of the Americans with Disabilities Act (ADA). Tyler will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability. Tyler also will make reasonable accommodation wherever necessary for all employees or applicants with disabilities, if the individual can perform the essential functions of the job and if any accommodations made do not create undue hardship for the Company.

### **Employment of Relatives**

Relatives of any Tyler employee will not be hired where such hiring has the potential for creating an adverse effect on supervision, safety, security, morale, or involves potential conflicts of interest.

## **Civil and Criminal Background Investigations and Credit Checks**

Tyler is free to conduct civil and criminal background research and credit checks on all applicants who are offered and who accept an offer of employment. Your employment with us may be conditional upon our review of the information in the background investigation. Remember, you have certain legal rights to discover and to dispute or explain any information obtained from research.

## **Proof of Identity and Eligibility to Work in the U.S.**

Federal regulations require that (1) upon becoming employed, all applicants must complete and sign Federal Form I-9, Employment Eligibility Verification Form; and (2) all applicants who are hired need to present documents of identity and eligibility to work in the U.S.

## **Employee Orientation**

During each new employee's first work week, the employee's Company will conduct an employee orientation with the new employee on such matters as: Tyler's organization and functions; the employee's role in helping to achieve Tyler objectives; the employee's job content and scope; training, performance and evaluation standards, promotional opportunities; job safety; and other matters of importance.

During the employee's orientation, the employee will be provided (1) with assistance in completing employment forms and records; (2) an explanation of Tyler's compensation, benefit programs, and personnel policies; and (3) any other information as determined appropriate to the employee's orientation and integration into Tyler.

## **Promotion Policy**

When a position becomes available, qualified employees may be eligible for promotion. Jobs will be awarded based on individual qualifications relative to the requirements of the job. By utilizing all opportunities for education and performing your job well, you may become qualified to fill a position of greater skill, responsibility and value at Tyler.

## **Transfers**

Transfer from one position to another may be required or requested from time to time. Employees who are permanently transferred to a lower position may be subject to a wage adjustment to suit the job to which the employee is transferred.

## **Job Referrals**

Tyler encourages employees to recommend and refer qualified candidates for employment with us. If you know someone who would like to work for Tyler, we will gladly consider him or her for appropriate openings. Please inform those who are interested to submit a résumé to our Human Resources Department or to complete an employment application.

## **Non-Compete Agreement**

Certain Tyler employees are required to sign a Non-Compete Agreement prepared by Tyler's Legal Counsel as a condition of employment. Any insertions or deletions to the Non-Compete Agreement must be authorized in writing by Tyler's Legal Counsel.

## **Outside Employment**

If you are employed by Tyler in a full-time position, Tyler expects that your position with us is your primary employment. Whether you are full time or part time, outside activities must not interfere with your ability to properly perform your job duties at Tyler.

If you are considering additional employment, you are required to notify your Manager prior to accepting such employment. Your Manager will discuss this opportunity with you to ensure that it will not interfere with your job at Tyler nor pose a conflict of interest. Self-employment is considered off-duty employment and falls under the same conditions as other off-duty employment, with the additional restriction that the self-employment does not involve a private business that is incompatible with an employee's Tyler position.

## **Spouse Accepts Employment from a Competitor**

Should your spouse become employed with a competing firm, consistent with applicable local law, Tyler reserves the right to terminate your employment with us in the event that your spouse's employment presents a conflict of interest to Tyler. Any questions concerning this policy may be directed to the Tyler's Legal Counsel or to the Director of Human Resources.

## **Layoff and Recall**

In the event of a reduction in workforce, affected employees will be given as reasonable an amount of advance notice as conditions permit; however, in no event shall Tyler be required to provide advance notice except as required by law.

Notification of a recall may be made by mail to the employee's last known address or by telephone call. Failure to respond to the recall within two (2) days of notice will be considered a voluntary resignation. Laid off employees must keep Tyler informed of any change in mailing address or telephone number.

Employees who are rehired are required to re-enroll in Tyler's benefit programs.

## **Resignation**

While we hope both you and Tyler will mutually benefit from your continued employment, we realize that it may become necessary for you to leave your job with Tyler. If you anticipate leaving your position with Tyler, we request that you notify your Manager, in writing, at least two (2) weeks in advance of the date you must leave in order to leave "in good standing" with Tyler. However, Tyler, at its sole option, may direct the employee to leave immediately.

## **Compensation upon Employment Separation**

An employee leaving Tyler's service will receive a final paycheck within the period prescribed by law. Final pay will consist of all hours worked from the last pay period to the employee's last day and hour of work, and any other compensation due the employee. The final paycheck may also be reduced by the amount of outstanding advances, insurance premiums, and other normal deductions.

Any property issued to the employee by Tyler must be returned prior to or at the time, the final paycheck is provided. Unless the employee asks to pick up the final paycheck in person, it will be mailed to the employee's last known address on record. Tyler may hold returned paychecks for a maximum period as prescribed by state regulations.

## **Exit Interviews**

In instances where an employee leaves our employ, Tyler management would like to discuss the reasons for leaving, impressions, and recommendations that you may have about the Company. Before your separation, you may be asked to meet with your Manager or a Human Resources representative to conduct an exit interview. If such an interview is held, you may express yourself freely. Tyler hopes this exit interview will provide insights into possible improvements we can make as well as explaining important information about insurance continuation under COBRA, other benefit options and 401(k) options.

## **References**

In the event you leave the employ of Tyler, we may be able to provide references to potential employers, depending upon the circumstances, your employment history, etc. However, you must sign a waiver, allowing us to release the requested information.

As an employee, do not respond, under any circumstances, to any requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, and you receive a request for a reference, you should forward the request to the Human Resources Department for a response.

Employment Verification Requests, such as for mortgage or automobile loans, must be submitted in writing to the Human Resources Department.

## Compensation and Employment Practices

### Compensation Policy

It is the policy of Tyler to pay and provide other compensatory incentives to its employees in a competitive and equitable manner, in order to attract and retain the most capable employees. To accomplish the basic intent of this policy, Tyler has established the following standards for employee compensation.

### Individual Pay

Each employee's salary generally will be reviewed on a regular basis. Wage rates and salaries may vary based on business, job, market and individual requirements.

An employee's total compensation at Tyler consists not only of the salary paid but also of the various benefits offered, such as group health and life insurance and the Company's 401(k) plan, as described in the benefits outline.

Questions regarding individual salary or salary administration should be directed to the employee's Manager.

### Employment Classifications

In conjunction with Federal Labor Regulations, employees will be classified as follows (i) Regular or Temporary, (ii) Full-time or Part-time, (iii) Exempt or Non-exempt, and (iv) Salaried or Hourly. Definitions of each component of employment classification follow:

**Regular Employee** - Employees who regularly work a pre-defined weekly schedule on a continuous basis.

**Temporary Employee** - Employees hired for specific periods or for the completion of a specific project. An employee hired under these conditions will be considered a temporary employee. The job assignment, work schedule and duration of the position will be determined on an individual basis.

Normally, a temporary position will not exceed six (6) months in duration, unless specifically extended. Seasonal employees are considered temporary employees.

If you are a temporary employee, please understand that you are not eligible for benefits or to accrue any form of service credit described in this Handbook.

**Full-Time Employee** - An employee who is regularly scheduled to work at least forty (40) hours per week is considered a full-time employee. If you were a full-time employee and have been on an approved leave of absence, upon return, you will be considered a full-time employee, provided you return to work as agreed in the provisions of your leave.

**Part-Time Employee** - An employee who is regularly scheduled to work less than forty (40) hours per week is considered a part-time employee. If you are a part-time employee and normally work less than thirty (30) hours per week, please understand that you are not eligible for benefits described in this Handbook.

**Non-exempt Employee** - Employees covered by overtime pay and other distinctive provisions of the Fair Labor Standards Act or applicable state laws.

**Exempt Employee** – Employees classified by Tyler as exempt are ineligible for overtime pay and other employment conditions as provided in the Fair Labor Standards Act and applicable state laws. Generally, such employees are those occupying executive, administrative, professional, or outside sales positions.

**Salaried Employee** – Employees who receive a salary representative of payment in full for services rendered.

**Hourly Employee** – Employees who are paid for actual hours worked.

### **Former Employee**

Depending on the circumstances, Tyler may consider a former employee for re-employment. Such applicants are subject to Tyler's usual pre-employment procedures. To be considered, applicants must have been in good standing at the time of their previous termination of employment with Tyler and must have provided at least two weeks' advance notice of their intention to terminate their employment with Tyler.

### **Reinstatement of Seniority (Bridging)**

If you have previously completed twelve (12) months of continuous employment with Tyler, and you are re-hired within ninety (90) calendar days of your separation date, your original date of hire will be reinstated for the purpose of calculating paid time off accrual, years of credited service and other conditions.

In some cases, and with appropriate managerial approval, an adjusted hire date may be applied after a separation of more than 90 days.



## **Time, Wage and Salary Policies**

### **Business Hours**

Based on operating conditions and requirements of each office, business hours are determined by your Management.

### **Pay Period**

The workweek begins at 12:01 a.m. Sunday, and ends at 12:00 midnight on the following Saturday.

### **Time Reporting – Non-Exempt**

By law, we are obligated to keep accurate records of the time worked by "non-exempt" employees. Each employee is responsible for accurately recording his/her time and obtaining appropriate managerial approval.

To accurately report your time, arrivals to work or departures from work must be accounted for, including lunch and brief absences such as a doctor or dentist appointment.

Non-exempt employees must obtain their Manager's approval to work hours in excess of their regularly scheduled hours.

No one may record hours worked on another's time record. Tampering with another's time record may be cause for disciplinary action up to, and including immediate dismissal of both employees. Do not alter another person's record, or influence anyone else to alter your record for you. In the event of an error in recording your time, please report the matter to your Manager immediately.

Managers will check the accuracy of entries prior to signing approval.

### **Time Reporting – Exempt**

Exempt employees are required to submit a record of time taken off for paid time off, jury duty, bereavement, etc. on a timely basis. Additional time reporting requirements for exempt employees may be defined by each Company.

### **Lunch Period – Non-Exempt**

Non-exempt employees are entitled and encouraged to take meal and rest periods. Unpaid lunch periods of at least 30 minutes are provided for all full-time non-exempt employees. Lunch periods are scheduled depending on the needs of each department. Please discuss your lunch period schedule with your Manager.

Unless authorized in advance by your Manager, you may not "work through lunch" in order to arrive late or to leave early or to work extra time. Employees are encouraged not to consume food at their work areas, except under special conditions approved by their Manager.

### **Breaks/Rest Periods – Non-Exempt**

Non-exempt employees will also be allowed 15-minute rest periods during each continuous four-hour work period. Normally these rest breaks will be scheduled mid-morning and mid-afternoon. These break times will be determined by your Manager.



Part-time employees working a schedule of three and one-half (3-1/2) hours or less per day are not provided with a rest period. Rest periods may not be combined with or added to an employee's meal period without the Manager's approval.

In the event of an emergency or unusual condition, your Manager may ask you to change or postpone your break in order to finish a particular project.

### **Absence or Lateness**

From time to time, it may be necessary for you to be absent from work. Tyler is aware that emergencies, illnesses, or pressing personal business that cannot be scheduled outside your work hours may arise. Personal leave days have been provided for this purpose.

If you are unable to report to work, or if you will arrive late, please contact your Manager or his/her designee immediately. Give him or her as much time as possible to arrange for someone else to cover your position until you arrive. If you know in advance that you will need to be absent, you are required to request this time off directly from your Manager.

When you call in to inform your Manager of an unexpected absence or late arrival, ask for your Manager directly. Notifying the receptionist, a fellow-employee or leaving a voice message is not sufficient unless authorized by your Manager. If you are unable to call in yourself because of a serious illness or emergency, be sure to have someone call on your behalf.

### **Record of Absence or Lateness**

If you are absent because of illness or injury, your Manager may request that you submit written documentation from your doctor. If you are absent five (5) or more consecutive days because of illness, you may be required to provide written documentation from your doctor that you are able to resume normal work duties. You will be responsible for any charges made by your doctor for this documentation.

Your Manager may record absences, tardiness, and/or early departures from work and the reasons, in your personnel file. Your attendance record may be considered when evaluating requests for promotions, transfers, leaves of absence, and approved time off, as well as scheduling layoffs, etc. Tyler expects all employees to be at work as scheduled and on time.

### **Excessive Absenteeism or Lateness**

In general, a pattern of absences may be considered excessive, and the reasons for the absences or tardiness may come under question by your Manager.

Be aware that excessive absenteeism, lateness or leaving early as determined by your Manager may lead to disciplinary action, including possible dismissal.

### **Unauthorized Absence**

An employee who is absent from his or her assigned work location or schedule without official leave approval from his or her Manager shall be considered absent without authorized leave. If the absence continues for three (3) or more consecutive days, Tyler shall regard the job as abandoned and the employee automatically terminated, unless the employee can provide Tyler with acceptable and verifiable evidence of extenuating circumstances.

Employees who are absent without notice or authorization for less than three consecutive days, and who subsequently report to work, shall provide a detailed written reason for such absence and, regardless of stated reasons, may be subject to disciplinary action including termination.

Unauthorized leave or unexcused absence will not be compensated in any form by Tyler, including Tyler sponsored employment benefits.

### **Overtime Compensation**

All non-exempt employees are eligible to receive overtime compensation for hours worked in excess of forty (40) hours each workweek in accordance with federal law. Hourly non-exempt employees will receive compensation at their hourly rate of pay for all hours worked plus an additional one-half (1/2) times their regular hourly rate of pay for hours worked in excess of forty (40) hours each work week. Employees classified as executive, administrative, professional, or outside sales, based on legal definitions, are exempt from overtime pay, and are therefore not covered by this policy.

All overtime worked by non-exempt employees must be approved in advance by the employee's Manager. Overtime hours worked without Manager approval may be regarded as a violation of Tyler's policy and employees working unapproved overtime hours are therefore subject to disciplinary measures.

Paid time off and holidays do not count as hours worked for determining overtime pay eligibility unless otherwise required by local or state law.

California Overtime Policy – Tyler will pay non-exempt employees working in California one-and-a-half times their regular hourly rate for all work over eight hours on a regular workday and twice their regular hourly rate for all work over twelve hours on a regular workday for work performed in California. Tyler will pay California non-exempt employees working the seventh consecutive day of their regularly scheduled work week at one-and-a-half times their hourly rate for work up to eight hours and double time for time worked beyond eight hours. Finally, Tyler will pay non-exempt employees one-and-a-half times their regular hourly rate for hours worked over 40 that do not fall into one of the above categories.

### **On-Call Duty**

Some employees may periodically be assigned to standby duty during weekends or other off-duty hours. The purpose of having employees on a standby status is to provide prompt service to Tyler's clients during irregular hours, where such response can prove instrumental to the success of the services provided by Tyler.

A non-exempt employee assigned to standby duty by his/her Manager will be paid an additional amount during the standby period for services performed, if the employee receives and processes a client call. Calls received and time worked by a non-exempt standby employee must be reported to the employee's Manager on the next regular workday. The nature and amount of time worked during standby duty is subject to verification.

### **Work Performed on Company Holidays**

Eligible non-exempt employees receive their regular pay for Company holidays, as determined on an annual basis. If work is required during a holiday, holiday wages equal to their regular pay will be paid in addition to regular pay. If the actual work results in overtime, then overtime pay will also be paid.

### **Company/Department Meetings**

On occasion, non-exempt employees may be required to attend a Company-sponsored meeting. If it is held during non-working hours, the employee will be paid for the time spent at the meeting. The hours qualify for time worked in computing overtime.

### **Shift Differential**

When certain employees are required to work on a second or third shift operation, they may be paid an additional amount per hour over and above the regular rate of pay for that job. Shift differential amounts may vary by location and job requirements.

### **Emergency Hours**

As business or specific operational needs of Tyler dictate, it may become periodically necessary for employees to be available for work beyond their daily or weekly work schedule, or to return to work after departing Tyler premises following completion of their normal work schedule.

Should an emergency occur, the nature of which affects business operations, employees may be required to work unusual or reduced schedules, or they may be laid off indefinitely because of business disruption. For reasons of potential emergency situations, all employees must keep Tyler advised of a current address, phone number, and person to contact in case of personal emergency.

### **Closure after Starting Time**

If severe weather conditions exist and management decides to close the office for the remainder of the day, non-exempt employees will be paid for the time off at a rate in accordance with their regular schedule. The same policy applies if non-exempt employees are operating on-site at a client location and the client authority orders that the facility be closed due to inclement weather.

### **Reporting Time Pay – Inclement Weather and “Acts of God”**

In the event that non-exempt employees report for work without being notified in advance that the office is temporarily closed due to special circumstances, a minimum of two hours of straight time will be paid. Special circumstances include inclement weather, fire, flood or some other “Act of God”, power/utility failure, an inoperable computer system, or lack of work.

### **Bonuses**

As a means of special recognition for the contribution of employees toward the success of Tyler, year-end or periodic bonuses may be granted. The amount of any bonus may vary between employees depending on such considerations as the employee’s position, performance record, special merit or uniqueness of the employee’s contribution, and Tyler’s overall financial condition.

Employees should understand that bonuses are necessarily a year-to-year option of Tyler, and a failure to pay a bonus in a particular year should not be construed as Tyler’s dissatisfaction with employee performance but could likely to result from Tyler’s need to dedicate available funds toward other business objectives.